



Debt Issuance
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA ITEM NO.: 3
AGENDA DATE: Thu 03/04/2004
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SUBJECT: Approve issuance by Moore's Crossing Municipal Utility District of Unlimited Tax and Revenue Refunding Bonds, Series 2003, in an amount not to exceed \$1,382,000; approving a substantial draft of the District's Bond Resolution and Preliminary Official Statement.

AMOUNT & SOURCE OF FUNDING: The City is not responsible for payment of District bond debt service until annexation and dissolution of the District. If annexation occurs, the avoided debt service associated with the refunding would also benefit the City of Austin. There is no anticipated fiscal impact. A fiscal note is not required.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Financial and **DIRECTOR'S**
DEPARTMENT: Administrative Services - **AUTHORIZATION:** Vickie Schubert
Treasury

FOR MORE INFORMATION CONTACT: Vickie Schubert, Acting Director of Finance and Administrative Services 974-3344

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

Moore's Crossing Municipal Utility District has proposed a refunding of the outstanding Unlimited Tax Bonds, Series 1998, issued by the District. The present value savings for this transaction is currently projected to be \$57,516 or 4.341% of the principal amount of the refunded bonds. The projected present value savings due to reduced market interest rates meets the City's target guideline of a 4.25% savings for its own bond refundings. Since the actual amount of savings is dependent on the terms of the sale, approval is requested for this transaction at a minimum present value savings of \$56,312 or 4.25%, to allow for market fluctuations.

The District will realize average annual debt service savings of over \$10,450 through the remaining term of the refunded bonds, which does not extend past the term of the existing debt. The City is not responsible for debt service on the District's Bonds. In the event of annexation of the District by the City, the City would benefit from the debt service savings associated with the refunding.

Approval of Moore's Crossing MUD's proposed refunding of the outstanding Series 1998 District Bonds is recommended, subject to final review of the offering documents by the Director of Financial Services' designee.